

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF DECEMBER 2008

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12/01/08	2009 World Food Prize Nominations Responses Due: March 2, 2009 and April 1, 2009	RD Employees
12/02/08	Personally Identifiable Information System Impacts Due to Changes in Borrower Identification Number	S/D
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12/03/08	Single Family Housing Guaranteed Loan Program Consistency in Marketing and Outreach	S/D
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12/05/08	Acting State Director for Nevada	N.O.O. & S/D
12/09/08	Compliance with the Improper Payments Information Act Section 521-Rental Assistance Program,	S/D
12/11/08	Single Family Housing Guaranteed Loan Program Quality Control of Digitally Imaged Essential Documents	S/D
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12/17/078	Interest Rates for Water and Waste Disposal Loans, Watershed Protection and Flood Preventions Loans, and Resource Conservation and Development Loans	S/D, RD & AD
12/19/08	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM & AD

Dated	Subject	Distribution
12/19/08	Interest Rates for Community Facilities	S/D, RDM & AD
12/19/08	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM & AD
12/22/08	Business and Industry Guaranteed Loan Program Rural Business Enterprise Grant Program Disaster Assistance Funding Procedures	S/D
12/22/08	60 TH Annual Arthur Flemming Award for Exceptional Federal Service Responses Due: January 9, 2009 and January 30, 2009	RD Employees
12/22/08	Rural Development Instruction 2060-A. Performance, and Performance Appraisal Handbook	All RD Employees
12/22/08	Business and Industry Guaranteed Loan Program UPS Capital Corporation	S/D
12/22/08	Leasing Teleconferences	S/D
12/22/08	Interest Rate for Direct Business and Industry Loans	S/D
12/24/08	United States Department of Agriculture Rural Development Single Family Housing Guaranteed Loan Program Underwriting Findings as a Result of National Office Lender Compliance Reviews	S/D
12/24/08	Retention of Documentary Materials for Litigation in cases of Garcia v. Schafer (Hispanic Farmers) Love V. Schafer (Female Farmers) Wise V. Schafer (Female/African American Farmers) Response Required by January 9, 2009	N.O.O. & S/D
12/29/08	Acting State Director for Iowa	N.O.O. & S/D
12/29/08	Acting State Director for Kentucky	N.O.O. & S/D
12/29/08	Federal Benefits upon Separation	S/D

Dated	Subject	Distribution
12/29/08	Acting State Director for Arkansas	N.O.O.
12/29/08	Acting State Director for New Jersey	N.O.O. & S/D
12/31/08	State Director Credit Hours	S/D
12/31/08	Acting State Director for Maine	N.O.O. & S/D

December 1, 2008

SUBJECT: 2009 World Food Prize Nominations
Responses Due: **March 2, 2009 and April 1, 2009**

TO: Rural Development Employees

FROM: Clyde Thompson /s/ *Clyde Thompson*
Deputy Administrator
Operations and Management

The World Food Prize Foundation has invited the United States Department of Agriculture to submit nominations for the 2009 World Food Prize. The World Food Prize is the highest international honor recognizing outstanding achievements that improve the quality, quantity, and availability of the world's food supply to effectively combat hunger and nutrition.

The World Food Prize recognizes specific tangible achievements in any field involved in enhancing food production and distribution, and increasing food accessibility to those most in need, thereby reducing human suffering and improving health and nutrition.

Additional information and nomination forms can be downloaded from the Internet at <http://www.worldfoodprize.org/nominate/nominate.htm#howto>.

Nominations must have the concurrence of Rural Development's Under Secretary before submission online. Therefore, all nominations must be submitted to Denise N. Johnson, Human Resources Specialist, by e-mail at DeniseN.Johnson@wdc.usda.gov, by **Monday, March 2, 2009**.

EXPIRATION DATE:
November 30, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Once the Under Secretary has approved the nomination, we will notify you that the nominee has been approved for your online submission. Approved online submissions are due NO LATER THAN **Wednesday, April 1, 2009**.

If you have any questions, please contact Denise N. Johnson at (202) 692-0223, or via e-mail at the address above.

Sent by electronic mail on 12/3/08 at 4:30 p.m. by Human Resources.

December 2, 2008

TO: All State Directors
Rural Development

ATTENTION: Rural Housing Program Directors,
Guaranteed Rural Housing Coordinators,
Area Directors and Area Specialists

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Personally Identifiable Information
System Impacts Due to Changes in Borrower Identification Number

On August 15, 2008, changes were made to the Guaranteed Loan System (GLS) Guaranteed Underwriting System (GUS), and the Rural Development Data Warehouse (RDDW) to address mandates from the Office of Management and Budget (OMB) to remove Personally Identifiable Information (PII) from viewable media. This resulted in the use of a common set of randomly assigned, unique account numbers for borrowers in all of the respective systems.

Changes made to the systems are as follows:

- ✓ The borrower's social security number (SSN) field was replaced with a new unique borrower identification number (ID) on most pages, forms and reports. The new borrower ID is a randomly assigned number that is 9 digits long and in the same format as the SSN.
- ✓ When an SSN is displayed, asterisks will mask the first 5 digits of the SSN and display the last 4 digits of the SSN.
- ✓ A Cross Reference screen was added to GLS and will allow a user to enter a borrower's SSN to display the borrower's corresponding Borrower ID.

Expiration Date:
November 30, 2009

Filing Instructions:
Housing Programs

The SSN will continue to be required when entering a new borrower in GLS but will be stored in a secured table with very limited access. The SSN is still required as it is needed for financial reporting and reporting to the Internal Revenue Service (IRS) and Treasury when applicable.

- ✓ For all existing borrowers established in GLS, the SSN was systematically replaced by the new borrower ID. The SSN was moved to a new table that is secured with limited access.

VERY IMPORTANT NOTE: The PII implementation **did not** include changes in the Program Loan Accounting System (PLAS). Thus, transactions in PLAS still require the use of the borrower's actual SSN. Since guarantee fees submitted to the Lockbox are processed through PLAS, Guarantee fees **MUST** continue to be remitted to the lockbox using the PLAS case number (**state code-county code-zero then SSN**) on the Form 451-2, Schedule of Remittances.

If guarantee fees come into the lockbox with the new borrower ID, there will be extreme delays in processing fees! This also creates a lot of extra manual work in our Finance Office.

Other important System Changes:

The following outlines some system specifics that users should be aware of as a result of the PII changes:

Entering a New Borrower in GLS:

- ✓ Users will still utilize the borrowers SSN when initially entering the borrower into GLS. Once the user submits the information to GLS, a unique Borrower ID will be assigned and displayed as a hyperlink so that the user can complete any further transactions. SSN's are still required in GLS as they are required when reporting to Treasury or in case the need arises for the Treasury Offset Program or Treasury Cross Servicing.

Correcting Borrower Information:

- ✓ Users will continue to use the borrower's SSN when correcting a borrower's information using the 4A or 4D PLAS transactions in GLS.

Forms:

- ✓ Guaranteed pre-filled data filled forms that request/display the borrower's case number and displays the state, county code and customer's SSN/tax identification number will now display either the new borrower ID instead of the borrower's SSN or have the borrower's SSN masked, except for the last 4 digits. Modification of the forms on the Regulation

- ✓ Web site and the e-forms site as well as those in GLS and GUS will occur in the near future as needed.

Reports:

- ✓ Reports in the RDDW that currently display the borrower's SSN will now display either the new borrower ID or the borrower's SSN with the first 5 digits masked and showing only the last 4 digits. Borrower SSN will not be able to be retrieved from the data warehouse except by a few selected individuals on a 'need to know' basis. For the most part, these are individuals in the Finance Office reporting branch.

If you have any questions, please feel free to contact the National Office SFHGLD at 202-720-1452, or at SFHGLDProgram@wdc.usda.gov.

December 3, 2008

TO: State Directors
Rural Development

ATTN: Multi-Family Housing
Program Managers

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Survey of Section 515 MFH Transfers

The Multi-Family Housing Preservation and Direct Loan Division is conducting a national survey of all Section 515 transfers that were approved and closed between October 1, 2007 and September 30, 2008. The results of the survey will assist the Multi-Family Housing Preservation and Direct Loan Division in understanding the type of transfers being underwritten; the type and amount of third-party funds being used to rehab our properties, and the transfer workload in the States, as well as identify potential training needs of the field.

In an effort to assist the Multi-Family Housing Preservation and Direct Loan Division in completing this survey, we are asking that States provide a copy of Form RD 3560-20, "*Multi-Family Housing Transfer and Assumption Review and Recommendation*", for each transfer that was approved and closed between October 1, 2007 and September 30, 2008.

Copies of Form RD 3560-20 are to be faxed to (614) 255-2563, Attention: Melinda Price by COB December 15, 2008. The information will be tracked and an analysis of data completed by Melinda Price. The information gathered from the survey will assist the Multi-Family Housing Preservation and Direct Loan Division in meeting the above objectives.

Also, we would like to remind Multi-Family Housing personnel of the need to track transfer activity in Multi Family Information System (MFIS). Specific servicing actions include date of the transfer request, date of follow-up, date approved and date completed. It is imperative that States insure the data in MFIS is accurate and up to date. We encourage each State Director to ensure a process is in place in their State to review transfers in MFIS.

If you have any questions regarding this survey, please refer them to Melinda Price at 614-255-2403 or Melinda.Price@wdc.usda.gov.

Thank you for your attention to this matter.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Housing Programs

December 3, 2008

State Directors
TO: Rural Development

ATTENTION: Rural Housing Program Directors,
Guaranteed Rural Housing Coordinators,
Area Directors and Specialists

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Consistency in Marketing and Outreach

Each state is responsible for developing marketing and outreach material for the promotion of Rural Development programs, including the Single Family Housing Guaranteed Loan Program (SFHGLP). A recent review of material developed by individual states utilized in the promotion of the SFHGLP revealed inconsistencies from state to state in the delivery and factual content of promotional materials.

Consistency in marketing literature and delivery of the program is a key component to success regardless of the type of delivery mechanism. Marketing literature can be developed to target different groups of customers. It should be apparent to customers

Expiration Date:
December 31, 2009

Filing Instructions:
Housing Programs

who view our marketing materials (business cards, website, brochures or other marketing materials) that they have a connection to Rural Development and the SFHGLP. The content of material developed, including fact sheets, lender manuals, checklists, etc.) should be consistent with RD Instruction 1980-D and the Administrative Notices (AN) issued to supplement the instruction. Outdated guidance or state imposed standards inconsistent with regulation or ANs are not supported and should not be disseminated or imposed.

In an effort to promote consistent delivery of the SFHGLP, the following steps will be initiated to assist states and allow all states nationwide to view material developed.

- The National Office SFHGLP marketing team will post state developed marketing and training materials to SharePoint, to allow all states the ability to view factually valid marketing materials developed by other states. States who plan on developing similar materials will need to work with their state Public Information Coordinators (PIC) for further approval.
- By the dates noted in Attachment 1, each state will submit in electronic format, via email, their state developed SFHGLP brochures, fact sheets, training tools, lender manuals, checklists, forms etc. to the National Office. attn: sfhgld.program@wdc.usda.gov. Each document will be reviewed for factual content. Documents that are validated will be posted to the SharePoint website. Those documents containing inconsistencies with RD Instruction 1980-D will be returned to States for correction. This review of materials is an effort to create a more consistent delivery, marketing and outreach material nationwide, while also confirming the materials are in harmony with our instruction.

Questions regarding this initiative can be addressed by email or telephone, to Debbie Terrell (debra.terrell@wdc.usda.gov / 918-534-3254) or Dave Chaput (david.chaput@wdc.usda.gov / 202-720-1456).

Attachment: copy of Attachment 1

State	Date Marketing Literature Due
Florida/Virgin Islands	December 31 2008
Georgia	December 31 2008
Hawaii/Western Pacific Islands	December 31 2008
Idaho	December 31 2008
Illinois	January 31, 2009
Indiana	January 31, 2009
Iowa	January 31, 2009
Kansas	January 31, 2009
Kentucky	February 28, 2009
Louisiana	February 28, 2009
Maine	February 28, 2009
Michigan	February 28, 2009
Minnesota	March 31, 2009
Mississippi	March 31, 2009
Missouri	March 31, 2009
Montana	March 31, 2009
Nebraska	April 30, 2009
Nevada	April 30, 2009
New Hampshire	April 30, 2009
New Jersey	April 30, 2009
New Mexico	May 31, 2009
New York	May 31, 2009
North Carolina	May 31, 2009
North Dakota	May 31, 2009
Ohio	June 30, 2009
Oklahoma	June 30, 2009
Oregon	June 30, 2009
Pennsylvania	June 30, 2009
South Carolina	July 31, 2009
South Dakota	July 31, 2009
Tennessee	July 31, 2009
Texas	July 31, 2009

State	Date Marketing Literature Due
Utah	August 30, 2009
Vermont	August 30, 2009
Washington	August 30, 2009
West Virginia	August 30, 2009
Wisconsin	September 30, 2009
Wyoming	September 30, 2009
Puerto Rico	September 30, 2009
Alabama	October 31, 2009
Alaska	October 31, 2009
Arizona	October 31, 2009
Arkansas	October 31, 2009
California	November 30, 2009
Colorado	November 30, 2009
Connecticut/ Massachusetts/Rhode Island	November 30, 2009
Delaware/Maryland	November 30, 2009

December 3, 2008

SUBJECT: Data Universal Numbering System
Federal Funding Accountability and
Transparency Act Implementation

FROM: RUSSELL T. DAVIS *(Signed by Russell T. Davis)*
Administrator
Housing Programs

BENJAMIN ANDERSON *(Signed by Benjamin Anderson)*
Administrator
Business and Cooperative Programs

JAMES M. ANDREW *(Signed by James M. Andrew)*
Administrator
Utilities Programs

TO: State Director
Rural Development

ATTN: Program Directors
Business and Cooperative Programs
Multi-Family Housing Programs
Community Facilities Programs
Water and Environmental Programs

Public Law 109-282, “the Federal Funding Accountability and Transparency Act of 2006 (FFATA)” was enacted by Congress on September 26, 2006. FFATA requires the Office of Management and Budget (OMB) to maintain a Web site which can be accessed and searched by the public on specific data regarding agencies’ financial and procurement assistance awards. OMB published a final rule on June 6, 2008, which directs all recipients and subrecipients, except individuals, to obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number for the implementation of the FFATA.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS
Housing/Community/
Business/Utilities Programs

In order to comply with the FFATA requirement, beginning October 1, 2008, all loans and grant applications must have a DUNS number assigned to them. If an entity has submitted an application prior to that date, and receives Federal financial assistance in fiscal year 2009, they will be required to have a DUNS number before any funds are obligated. However, if an entity already has a DUNS number, they should not request another one. Attached is a sample letter to the applicants with directions regarding how to register and obtain a DUNS number.

If you have any questions, please contact the National Office person in your program.

Obtaining a Data Universal Numbering System number (DUNS)

In order to conduct business with the Federal Government, most organizations are required to obtain a DUNS number. Your application indicates that you are an organization that fits this requirement. Therefore, we request that your organization obtain a DUNS number so that we can continue to assist you.

The DUNS number is a unique nine-character identification number provided by the commercial company Dun & Bradstreet (D&B). You may call D&B at 1-866-705-5711 to register to obtain a DUNS number. The process to request a DUNS number takes about 10 minutes and is free of charge. Please use the following instructions to navigate through the voice prompts:

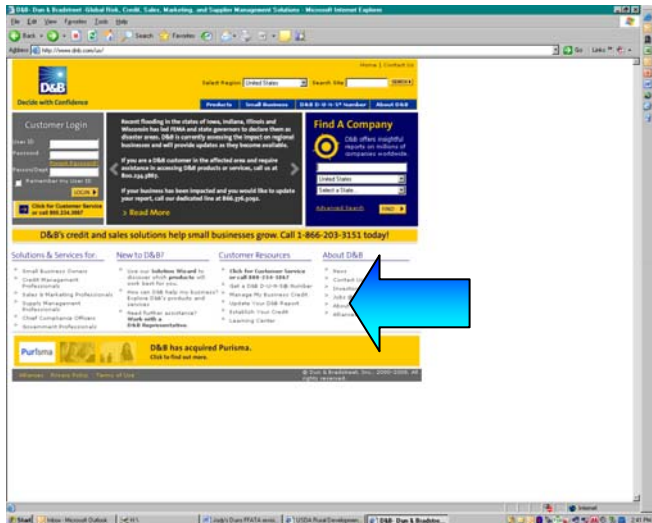
1. Dial 1-866-705-5711.
2. Enter "2" to register as a government loan/grant applicant and obtain a DUNS number
3. At this point, a service representative will answer, and suggest that you buy the Credit Builder Service. It is not necessary to purchase the service in order to do business with the Government. If you want to do business with other vendors outside the government, this is an optional service that allows you to do business using a line of credit.
4. Provide answers to the following questions:
 - a) Name of business
 - b) **Business address**
 - c) Local phone number
 - d) Name of the CEO/business owner
 - e) Legal structure of the business (corporation, partnership, proprietorship)
 - f) Year business started
 - g) Primary line of business
 - h) Total number of employees (full and part time)

You may also register for your DUNS number at Dun & Bradstreet's Web site: <https://www.dnb.com/>. Be sure to click on the link that reads, "DUNS Number only" at the right hand, bottom corner of the screen to access the free registration page. Please note that registration via the Web site may take up to 14 business days to complete.

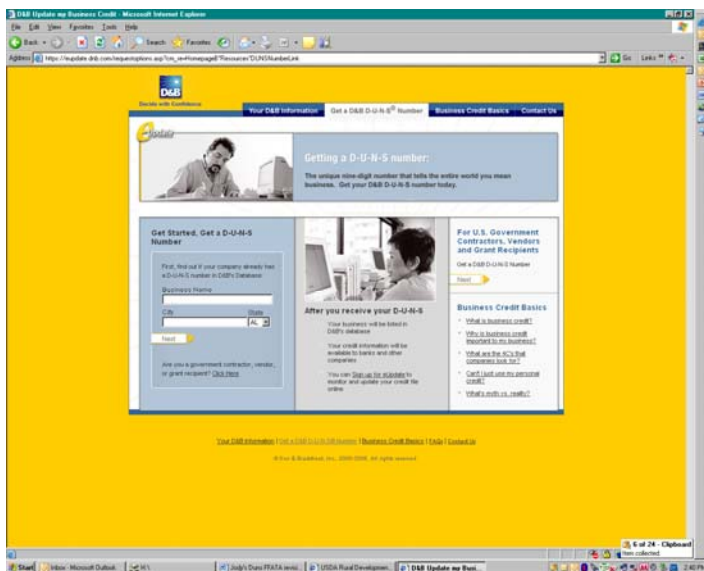
URL: <http://www.dnb.com/us>

To sign up for a DUNS number electronically, go to the above Web site. Screen by screen instructions are attached.

Click on “Get a D&B DUNS Number.”



Input the business name. Click on “Next”



Click on “Get Started” under the section “Get a DUNS Number Price NO CHARGE”

The screenshot shows the D&B Update my Business Credit website. The main navigation bar includes 'Your D&B Information', 'Get a D&B D-U-N-S® Number', 'Business Credit Basics', and 'Contact Us'. The 'Your D&B Information' section has a sub-header 'See your company listed below? Click Next to get access to your credit file' and a form with fields for 'Name' (D&B Inc), 'City, State' (Crown, MD), and a 'Next >' button. The 'Business Credit Basics' section has a sub-header 'Don't see your company listed? Select an option below:' and two options: 'Establish a D&B Credit File' (Price: \$375) and 'Get a DUNS® Number Price: NO CHARGE'. The 'Get a DUNS® Number Price: NO CHARGE' option has a sub-header 'Get a DUNS® Number Price: NO CHARGE' and a list of bullet points: 'Ensure that your company is listed in D&B's database', 'Receive your D-U-N-S® Number within 30 business days', and 'Getting a D-U-N-S® Number alone will not establish a company's D&B credit profile for your business. To establish a credit file and obtain a D-U-N-S® Number, we recommend you establish a D&B credit file.' Below the bullet points is a 'Get Started' button. The footer includes 'Your Credit File | Get a D&B D-U-N-S® Number | Business Credit Basics | Contact Us' and '© Dun & Bradstreet, Inc. 2000-2008. All rights reserved.'

Fill out the information. The information completed of the primary owner of the business, then click on submit.

The screenshot shows the D&B Update my Business Credit website. The main navigation bar includes 'Your D&B Information', 'Get a D&B D-U-N-S® Number', 'Business Credit Basics', and 'Contact Us'. The 'Your D&B Information' section has a sub-header 'Begin Creating Your D&B D-U-N-S® Number' and a form with fields for 'First Name' (Diane), 'Last Name' (Berger), 'Title' (CEO), 'Email Address' (dberger@business.net), and 'Company Telephone Number' (410-655-1878). A 'Submit >' button is located below the form. The 'Business Credit Basics' section has a sub-header 'Need Help? Call Now!' and a phone number '1-888-814-1435 (toll-free)'. Below the phone number is a 'Get More D&B Contact Now' button. The footer includes 'Your Credit File | Get a D&B D-U-N-S® Number | Business Credit Basics | Contact Us' and '© Dun & Bradstreet, Inc. 2000-2008. All rights reserved.'

Complete the fields and click on “Next”.

The screenshot shows a web browser window titled "D & B eUpdate - Update Your Business Information - Microsoft Internet Explorer". The address bar shows "https://eupdate.dnb.com/eupdate.asp#". The page content includes a navigation breadcrumb "Company Information > Ownership > Management > Operations" and a note: "Required fields are marked with an asterisk." The form is titled "Company Information" and is "Step 1 of 4". It contains the following fields: "Name of business (full legal name)" with the value "Berger Inc.", "Other names this business uses" (three empty text boxes), "Business address (include suite or floor #)" (empty text box), "City" with the value "Cotton", "State" with a dropdown menu showing "Maryland", "Zip code" (empty text box), "Local phone number" (three empty text boxes), "Toll free number" (three empty text boxes), "Company fax number" (three empty text boxes), "Mailing Address (if applicable)" with a dropdown menu showing "None", "Number" (empty text box), "City" (empty text box), "State" with a dropdown menu showing "SELECT ONE:", and "Zip code" (empty text box). A yellow "Next" button is at the bottom right of the form.

Complete the information on the following screen. You will need to scroll down the page to complete the page as soon on the next screen print.

The screenshot shows a web browser window titled "D & B eUpdate - Update Your Business Information - Microsoft Internet Explorer". The address bar shows "https://eupdate.dnb.com/eupdate.asp#". The page content includes a navigation breadcrumb "Company Information > Ownership > Management > Operations" and a note: "Required fields are marked with an asterisk." The form is titled "Ownership" and is "Step 2 of 4". It contains the following fields: "Name of the CEO/business owner" with the value "Diane Berger", "Title" with a dropdown menu showing "CEO", "If other, enter title here" (empty text box), "Email address of the CEO/business owner (name@company.com)" with the value "jls34@verizon.net", "Legal structure of the business" with a dropdown menu showing "SELECT ONE:", "Please list all major shareholders (For Corporations only)" (four rows of "% of stock owned by" followed by empty text boxes), and "This is a publicly traded company" (checkbox). A yellow "Need Help? Call Now! 1-888-814-1435 (Mon-Fri 8am-1pm EST)" button is at the top right of the form.

Continue to complete information and then click on “Next.”

The screenshot shows a web browser window titled "D-U-I-S update - Update Your Business Information - Microsoft Internet Explorer". The address bar shows "https://update.dbi.com/update.asp#". The form is titled "D-U-I-S update" and contains the following fields and options:

- Year business started: 2009
- Year current owner(s) assumed control (if different):
- Please check all that apply:
 - ☐ more than 50% women owned and controlled
 - ☐ more than 50% minority owned and controlled
 - Please specify minority: SELECT ONE
 - ☐ This business is owned by a veteran
 - ☒ This business is owned by a Vietnam veteran
 - ☒ This business is owned by a Disabled veteran
 - ☐ Another company owns more than 50% of this business
- Parent company name:
- Parent company city:
- Parent company state (US companies only): SELECT ONE
- Parent company country: SELECT ONE

At the bottom, there are "Previous" and "Next" buttons. The footer includes the text "© 2006 & thereafter, Inc. 2000-2009. All rights reserved."

Fill out the information for each officer and click on “Next”.

The screenshot shows a web browser window titled "D-U-I-S update - Update Your Business Information - Microsoft Internet Explorer". The address bar shows "https://update.dbi.com/update.asp#". The form is titled "D-U-I-S update" and contains the following fields and options:

- Get a D-U-I-S Number: Need Help? Call Now! 1-888-814-1435 (non-emergency)
- Please enter your management information below.
- Company Information > Ownership > Management > Officers
- *Required fields are marked with an asterisk.
- Management: Step 3 of 4
- Name of each owner/officer: Full Name, Title, Principals (Click on Principal Name to modify)
- To modify a principal, select a name from the Principals list.
- Other:
- Area(s) of Responsibility:
- To select multiple areas please hold down the Ctrl key.
- Started with Company (yes):
- Add Principal

At the bottom, there are "Previous" and "Next" buttons. The footer includes the text "© 2006 & thereafter, Inc. 2000-2009. All rights reserved."

Complete the following two screens and click on “Next”.

D & B eUpdate - Update Your Business Information - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address: <https://update.dnb.com/eupdate.asp#>

Decide with Confidence

Your D&B Information Get a D&B D-U-N-S® Number Business Credit Basics Contact Us

Get a D-U-N-S® Number

Please enter your operations information below.

Need Help? Call Now!
1-888-614-1435 (Toll-Free)

Or have D&B contact me

Company Information > Ownership > Management > Operations

* Required fields are marked with an asterisk

Operations Step 4 of 4

* Primary line of business

* Total number of employees (include principals and part-time)

The company maintains additional locations

How you bill your customers (please check all that apply)

Number of active credit accounts

Primary line of business

Please provide a brief description of the major activity (or activities) of the business. As a point of reference:

- A Retailer sells goods for personal or household consumption.
- A Wholesaler buys the goods of a manufacturer and sells those goods to retailers.
- A Manufacturer transforms materials into finished goods, and in the process adds value to those goods by applying labor.
- A Broker buys and sells on commission.
- A Contractor builds structures, roads, bridges, etc., under contract terms.

Retainer, plus additional billings

Contractual basis

Fee basis

Require a deposit with remainder billed monthly

Commission basis

Seasonal basis

Done

Start D & B eUpdate - Upd... H:\ Directions to get a DUNS 6:22 AM

D & B eUpdate - Update Your Business Information - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address: <https://update.dnb.com/eupdate.asp#>

Number of active credit accounts

Check here if you sell on the Internet

% of total sales are from the Internet

Selling or servicing area

Check here if you Import Export

Manufacturers

Wholesalers

Retailers

Government

General public

Non-profit organizations

Commercial concerns

Primary place of business

Please select either

Residence

Operates from Residence of

Commercial

Square Footage

Floor Number (e.g. 1, 2, 3)

Number of Stories (e.g. 1, 2, 3)

Type of Building

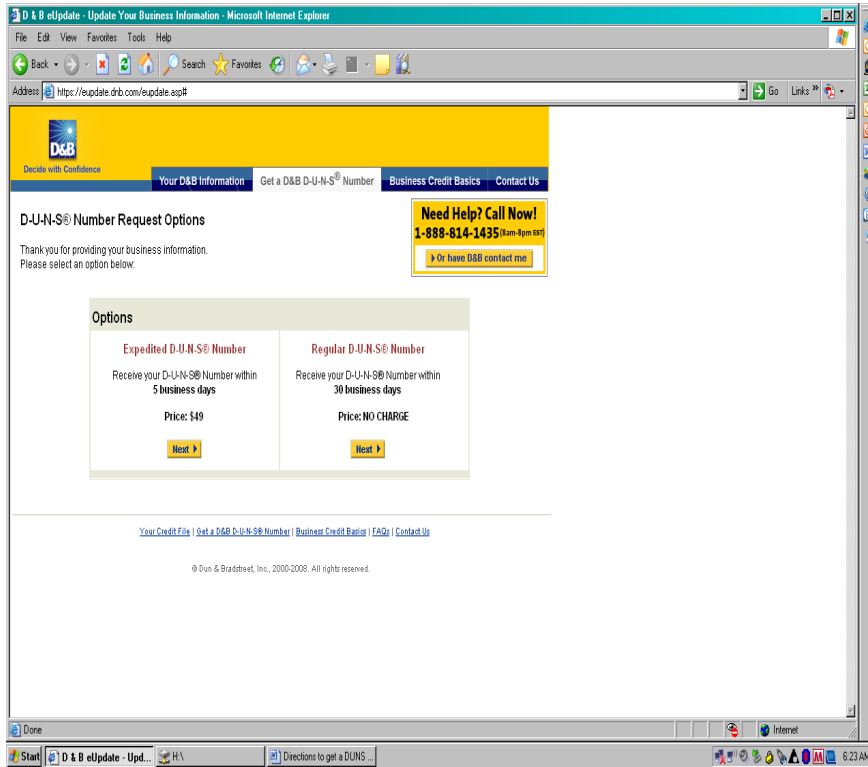
Previous Next

[Your Credit File](#) | [Get a D&B D-U-N-S® Number](#) | [Business Credit Basics](#) | [FAQs](#) | [Contact Us](#)

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Start D & B eUpdate - Upd... H:\ Directions to get a DUNS 6:21 AM

You can choose to expedite getting a DUNS number or wait 30 businesses days. Click on the appropriate Next Button. This will complete the process for requesting a DUNS number.



Dear Customer:

On September 26, 2006, Public Law 109-282, “the Federal Funding Accountability and Transparency Act of 2006,” (FFATA) was enacted by Congress. The FFATA requires the Office of Management and Budget (OMB) to maintain a Web site which the public can access and search certain data about agencies’ financial assistance and procurement awards. OMB published in the Federal Register a final rule on June 6, 2008, which directs all recipients and subrecipients, except individuals, to obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) for the implementation of the FFATA. The published rule in the Federal Register can be accessed at the following Web site:

<http://edocket.access.gpo.gov/2008/pdf/E8-12560.pdf>

Rural Development is required to comply with the directive of OMB and the FFATA. Therefore, all applications submitted for loans and grants must now include the DUNS number in order for the application to be processed. If your organization has submitted an application to Rural Development and has not previously obtained a DUNS, you must obtain one and provide it to the field office where the application was processed. Attached are directions for completing the information on the Dun and Bradstreet Web site.

If you have any questions regarding this requirement, please contact (field office contact) at (phone number).

December 5, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Deputy Under Secretary

SUBJECT: Acting State Director for Utah

On **January 3, 2009**, John Jack Cox will be retiring as State Director for Utah. Therefore, I appoint James Bulkeley Acting State Director effective **January 4, 2009**, until further notice.

Mr. Bulkeley is currently the Engineer and State Environmental Coordinator for the Utah State Office.

I know I can count on your support and assistance while he is serving as Acting State Director and responsible for carrying out the mission of Rural Development in Utah. Mr. Bulkeley can be reached on (801) 524-4327 or via e-mail at james.bulkeley@ut.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/16/08 at 2:30 p.m by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

December 5, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Deputy Under Secretary
Rural Development

SUBJECT: Acting State Director for Nevada

On **January 2, 2009**, Larry Smith will be resigning as State Director for Nevada. Therefore, I appoint Kay Vernatter Acting State Director effective **January 3, 2009**, until further notice.

Ms. Vernatter is currently the Community Programs Director for the Nevada State Office.

I know I can count on your support and assistance while she is serving as Acting State Director and responsible for carrying out the mission of Rural Development in Nevada. Ms. Vernatter can be reached on (775) 887-1222, Ext. 28 or via e-mail at kay.vernatter@nv.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on December 16, 2008, at 12:35 p.m., by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

December 9, 2008

TO: State Directors
Rural Development

ATTN: Multi-Family Housing Program Directors

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Housing and Community Facilities Programs

SUBJECT: Compliance with the Improper Payments Information Act
Section 521 – Rental Assistance Program

The purpose of the unnumbered letter is to provide guidance to the Multi-Family Housing (MFH) Program Directors on the implementation of the annual Improper Payment Information Act (IPIA) audit required to be conducted on the Section 521, Rental Assistance (RA) program.

The RA program continues to be listed as a high risk program under the IPIA due to the size of its outlays and the high error rate.

Compliance with IPIA will be on-going, and an audit will be required annually until the Agency achieves an error rate of less than 2.5 percent of the program outlays. The results from the Fiscal Year (FY) 2008 audit showed the final error rate of gross dollars improperly calculated to be 3.95 percent. Therefore, another audit is required this year.

We will be using the same audit procedures that were completed last FY. The Centralized Servicing Center's (CSC) Audit Unit will be again conducting the review.

The Agency is required to conduct a review that uses a statistically valid selection of all the RA payments made in a 12-month period. The selection is based on all RA payments made in FY 2008.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Housing Programs

Below is the anticipated timeline for completion of this review:

1. During the week of December 1, 2008, CSC sent letters and instructions for submission of required documents for review to the selected properties. See Attachment A for an example of the letter.
2. Properties have until December 19, 2008, to submit the requirement documents to CSC for review.
3. CSC will conduct the review from December 22 through February 28, 2009.
4. By April 30, 2009, the RA audit report will be completed.

We will post the list of properties selected for audit on the MFH's sharepoint web site. The web address is

<https://rd.sc.egov.usda.gov/teamrd/hcfp/mfh/MultiHousing%20Family%20Information/Forms/AllItems.aspx>.

If you receive any questions from the management agent, please direct them to the CSC Audit Unit's phone number, 1-800-349-5097, ext. 5783 that is listed in the letter.

We appreciate your cooperation in these efforts to meet the Department's obligations to be in compliance with IPIA.

If you should have any questions regarding this, please contact Janet Stouder at 202-720-9728.

Attachment



*United States
Department of
Agriculture*

Rural Development

*Centralized Servicing Center
P.O. Box 66818
St. Louis, MO 63166-6818
(800) 414-1226 (Voice)
(800) 438-1832 (TDD/TTY Hearing Impaired Only) or
(314) 457-4554 (FAX)*

This letter is to inform you that the tenant certification identified below was randomly selected for a review of your file documentation and calculation of Rental Assistance. This review is part of an annual review required to be conducted by the Agency in accordance with the Improper Payment Information Act (IPIA). **Please provide the information identified below by December 19, 2008.**

This year, the Centralized Servicing Center (CSC), which processes your monthly payment, will be conducting the review.

Please submit a copy of Form RD 3560-8, "Tenant Certification," and supporting documents for the following tenant:

<u>Property Name</u>	<u>Location</u>	<u>Unit No.</u>	<u>Tenant Name</u>	<u>"Tenant Certification" to be Reviewed</u>
»				

Note: The effective date of the certification may not be the current certification.

Please ensure that the supporting documents consist of all documents that were used to complete the "Tenant Certification" identified above. This includes calculation tapes, internal worksheets, and third-party verifications. Examples of supporting documents are as follows:

- **Verification of Employment:** A copy of verification of employment for each adult household member
- **Zero Income Persons:** Include the Zero Income Verification Checklist from your files.
- **Unemployment and Unemployment Benefits:** Tenants receiving unemployment benefits must provide the most recent award or benefit letter prepared and signed by the authorizing agency to verify the unemployment income.
- **Regular, Unearned Income (e.g., Social Security, pensions, workers compensation):** A copy of the most recent award or benefit letter prepared and signed by the authorizing agency.
- **Public Assistance:** A copy of the most recent award or benefits letter prepared and signed by the authorizing agency to verify the amount of public assistance received



Committed to the future of rural communities.



*United States
Department of
Agriculture*

Rural Development

Centralized Servicing Center

P.O. Box 66818

St. Louis, MO 63166-6818

(800) 414-1226 (Voice)

(800) 438-1832 (TDD/TTY Hearing Impaired Only) or

(314) 457-4554 (FAX)

- **Alimony or Child Support Payments:** A copy of the divorce decree, separation agreement, or other document indicating the amount of the required support payments. (If the tenant reports that the amount required by the agreement is not being received, the tenant must document that assistance has been requested from the state or local entity responsible for enforcing payment.)
- **Support for Foster Children or Adults:** Documentation indicating the amount of money received for the care of foster children or adults, and the anticipated period of time the support will be provided.
- **Income Tax Return:** For self employment, a complete, legible copy of the most recently filed Federal income tax form may be submitted for each applicant/tenant, unless the person was exempted from filing a return.
- **Verification of Assets and Income from Assets:** Financial institution statements to verify account balances. (For some assets, such as mutual funds or 401(k) accounts, copies of year-end statements can provide information about annual income. Documents from tenants that identify if any asset has been disposed of for less than fair market value.)
- **Disability/Handicapped Documentation:** If the tenant has been living in the property for a while, the necessary documentation may have to be retrieved from the application or prior certification documentation.
- **Medical Expense:** Documentation used to calculate medical expenses.
- **Citizenship:** FOR FARM LABOR ONLY, documentation of U.S. citizenship or immigration status (for all household members) is required.

Included is a FAX cover sheet with corresponding Record Number to be submitted with each Tenant Certification and supporting documents.

We request that you fax the documents to (314) 457-4562 by December 19, 2008 between the hours of 6:00 a.m. and 6:00 p.m. Central Standard Time, Monday through Friday.

If faxing is a problem or if you have any questions concerning this letter, you may contact the Audit Unit at 1-800-349-5097, extension 5783, from 8:00 a.m. to 4:30 p.m. Central Standard Time, Monday through Friday.

We appreciate your immediate attention and assistance with this review.

Sincerely,

Stephanie B.M. White

Director

Multi-Family Housing

Portfolio Management Division

**MFH Rental Assistance Audit/Review
FAX COVER SHEET**

Project Name:

Date: _____

Unit #:

Tenant Name:

of pgs: _____

To: **CSC – Audit Unit / Tamara Terrell**

Phone: **(800) 349 – 5097 x5783**

FAX #: **(314) 457 – 4562**

From: _____

Phone: _____

FAX #: _____

Required Documentation from Mgmt Co:

____ Tenant Certification, Form RD 3560-8 **(Submit the tenant cert. based upon the requested effective date.)**

____ Verification of Income.

____ Verification of Assets

____ Medical Expense

____ Verification of Disability

____ Verification of Citizenship
(Farm Labor Only)

Remarks:

**Please attach the corresponding cover sheet for each tenant.
Include all supporting worksheets and/or checklists.
All required documents due by 12/19/08**

December 11, 2008

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors
Guaranteed Rural Housing Coordinators
Area Directors and Specialists

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Quality Control of Digitally Imaged Essential Documents

In digitally imaging Single Family Housing Guaranteed Loan Program (SFHGLP) essential documents, quality control is integral to ensuring that quality expectations have been met. Quality control encompasses a process to verify the quality, accuracy and consistency of digital images and plays an important role in the success of the project. It is an ongoing evaluation.

A recent review of the Rural Development Imaging Repository of origination documents disclosed that quality control surrounding imaging of essential documents was not always performed. Sampled files revealed that supportive loan documentation was not always captured in electronic format. Electronic documentation was inadvertently omitted or overlooked from the imaging process in some cases. Partially scanned forms (i.e. front page without a back page) or partially supported documentation (income verification without the supporting wage earning statements, etc.) was not present in some files reviewed.

Expiration Date:
December 31, 2009

Filing Instructions:
Housing Programs

Of files sampled, the following essential documents were absent in a number of the cases reviewed:

- Retention of the fully executed and accurately completed Form 1980-21, “Request for SFH Loan Guarantee.”
 - 1st page and the 2nd page executed by the lender and borrower(s)
- The absence of all or a portion of supportive control documents surrounding the verification of income.
 - Verbal verifications, written verifications, earning statements, W-2s, tax returns
- The absence of documents validating the applicant’s desire for a mortgage loan and the lender’s confirmation of interview.
 - Fully executed (borrower and lender) FNMA 1003, Uniform Residential Loan Application
- The absence of rejection letters with appropriate appeal rights.

The “State Office Scan & Index Application Information” guide provides instructions for the quality control of the documents scanned. The quality control screen is used to verify that all scanned images appear correctly. It is also the state’s opportunity to confirm all of the documents identified as essential documents accompany the file/batch scanned. If not scanned properly, the image, the document, or the batch can be deleted as needed. The state also has the opportunity within the quality control window to rotate pages for proper viewing, delete blank pages, and delete unreadable pages. Once the user exits the batch, the documents are scanned. Therefore, this step in the scanning process plays an important role in controlling the quality, consistency and accuracy of imaged documents.

If the state finds that an existing indexed document requires a change of Borrower ID, the document type requires modification, or a scanned document should be deleted, the state may utilize the “State Office Scanning Change/Deletion Request” form provided in the scanning guide noted above to request a change by the technology staff in St Louis, Missouri.

While regular use of the procedures are effective, a staff member who supervises personnel who scan and index documents should regularly perform a visual check of a sample of images to supplement the quality control step described above. A visual check generally involves verifying any or all of the following information:

- The borrower identification assigned to the indexed file is correct.
- Images are properly indexed.
- Images are readable and in the proper viewable position.
- Image skew is tolerable.
- Imaged documents appear in the correct order for multi-page items.
- No physical matter (dust, hair, specks of paper) is present in the scan.

Regular use of the procedures provided should ensure that the level of quality necessary in capturing essential documents electronically. The quality control steps are required prior to any destruction of the Rural Development guaranteed loan file.

If you have any questions, please feel free to contact Debbie Terrell at 918-534-3254 or David Chaput at 202-720-1456; or via email to debra.terrell@wdc.usda.gov or david.chaput@wdc.usda.gov.

December 11, 2008

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors

FROM: Philip H. Stetson (*Signed by Philip H. Stetson*)
Acting Deputy Administrator
Single Family Housing

SUBJECT: Rural Energy Plus Pilot Program

On January 10, 2008, a memorandum was sent to all states announcing the extension of the subject pilot program. The extension is set to expire on December 31, 2008. The pilot allows both the front and back ratios, used to determine an applicant's ability to repay a home loan to be exceeded by up to two percentage points if an energy efficient home is purchased. State offices were instructed to keep an accurate record of the 502 Direct and Guaranteed loans that were offered ratio flexibility through this pilot.

Since the extension of the pilot will be ending at the end of the calendar year, we would like to evaluate the effectiveness of the program to determine if it should be continued. Therefore, we ask that you provide an update on loans offered a ratio waiver in fiscal year 2008, and a current status of all loans that closed under this pilot program using the attached spreadsheet. The spreadsheet should be emailed to Scott.Nista@wdc.usda.gov, by January 31, 2009.

Questions may be directed to the Single Family Housing direct Loan Division at 202-720-1474 or the Single Family Housing Guaranteed Loan Division at 202 720-1452.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Housing Programs

December 15, 2008

SUBJECT: New Procurement Management Division Director

TO: National Office Officials
Rural Development State Directors

FROM: Clyde Thompson /s/ *Clyde Thompson*
Deputy Administrator
Operations and Management

I am pleased to announce the selection of Stephen Schaefer, as Director of the Procurement Management Division, Office of Procurement and Administrative Services, effective November 23, 2008.

Mr. Schaefer's previous appointment was with the Agricultural Research Service (ARS), Administrative and Financial Management, Acquisition and Property Division, as the District of Columbia (DC) Section Team Leader. In that position, he was the Lead Contract Specialist for ARS. Previous to that, he was the DC Section Head as a Supervisory Acquisition and Support Services Specialist. Mr. Schaefer comes to us with a wealth of knowledge and experience in procurement management. He has a Bachelor of Science in Biochemistry from the University of Scranton (Pennsylvania).

Mr. Schaefer can be reached at (202) 692-0245 or stephen.schaefer@wdc.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/19/08 at 1:00 p.m. by PAS.
National Office Officials and State Directors should advise other personnel as appropriate.



**United States Department of Agriculture
Rural Development**

DEC 16 2008

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors

FROM: Philip H. Stetson
Acting Deputy Administrator
Single Family Housing

A handwritten signature in black ink, appearing to be "P. Stetson", written over the printed name and title of the sender.

SUBJECT: Additional Guidance for Establishing the 2009 Area Loan
Limits in High Cost Areas

The purpose of this memorandum is to expand upon the guidance issued on November 19, 2008 and expires on December 31, 2009, regarding the 2009 area loan limit reviews. States were instructed to reduce the loan limits by 20% in high cost areas, or provide strong justification to support proposals that recommend anything other than a decrease.

The Office of Federal Housing Enterprise Oversight tracks the House Price Index (HPI) and has been reporting a decline in home values in many areas of the nation. Additional information can be found at the following website:

<http://www.ofheo.gov/hpi.aspx>

We understand that not all markets were affected in the same way. We are asking that Program Directors take a hard and honest look at what home values (and specifically lot values) are doing in our rural areas to assure that our loan limits are realistic for modest homes in keeping with the mission of the direct loan program.

We're looking for a strong justification for retaining or increasing income limits based on the most current information, rather than how they compare with the Housing and Urban Development's (HUD) 2008 limits.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Housing Programs

1400 Independence Ave, S.W. · Washington DC 20250-0700
Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination, write USDA, Director, Office of Civil Rights,
1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (Voice) or (202) 720-6382 (TDD).

In accordance with 7 CFR 3550.63 (a) (1)(iv), the area loan limit may not exceed the applicable local HUD Section 203(b) limit (FHA's basic 1-4 family mortgage insurance program). The FHA limits consist of a floor and a ceiling. Any area where the FHA limit exceeds the floor is known as a "high cost" area. The 203 (b) limits are based on 95% of area median sales price except for high cost areas. High cost areas are a percentage of the Fannie/Freddie (conforming loan) limits.

States should carefully review both the FHA limits and lot costs to determine their high cost areas, as they may have changed from the previous year. The limits are posted on HUD's website at <https://entp.hud.gov/idapp/html/hicostlook.cfm>.

When conducting reviews in high cost areas as described above, we believe it is reasonable to see a decline from previous loan limits in many areas based on changes in the housing market.

We are not suggesting that the limits in "high cost" areas should be lower than the FHA floor limit. However, we are asking that the proposed limit for high cost areas truly reflect current and accurate market conditions to ensure it does not exceed the dollar amount that is needed to purchase a modest home.

As previously stated, we recognize not all areas have declined. However it is incumbent upon the Program Director to make the case, based on current market information, that the recommended values are reasonable.

Questions may be directed to Cathy Glover, of the Single Family Housing Direct Loan Division, at 202-720-1460

December 17, 2008

SUBJECT: Interest Rates for Water and Waste Disposal
Loans, Watershed Protection and Flood
Prevention Loans, and Resource Conservation
and Development Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

Language in the Consolidated Farm and Rural Development Act requires that the poverty rate and the intermediate rate be determined based on the approval date of the loan. For those loans approved on or after May 23, 2008, the poverty rate will be set at 60 percent of the market rate and the intermediate rate set at 80 percent of the market rate, adjusted to the nearest one-eighth of one percent. Following are the new interest rates for water and waste disposal loans approved on or after May 23, 2008:

Poverty Line...increased to..... 3.125%
Intermediate...increased to.....4.125%
Market..... increased to.....5.125%

For loans approved but not closed on or before May 22, 2008, the poverty rate will remain fixed at 4.500 percent and the intermediate rate will continue to be set at one-half of the difference between the poverty line rate and the market rate. Following are the new interest rates for water and waste disposal loans approved on or before May 22, 2008:

Poverty Line...unchanged at.....4.500%
Intermediate... increased to.....4.750%
Market..... increased to.....5.125%

EXPIRATION DATE:
March 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

These rates will be effective from January 1, 2009, through March 31, 2009.

Also, the rate for watershed protection and flood prevention loans and resource conservation and development loans is as follows:

CURRENT RATE	NEW RATE
4.500%	5.125%

Please notify appropriate personnel of these rates.

(Signed by James M. Andrew)

JAMES M. ANDREW
Administrator
Utilities Programs

Sent by Electronic Mail on 12/18/08 at 9:00am by PAD.
State Directors should advise other personnel as appropriate.

December 19, 2008

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Directors

The following interest rate is in effect for loans approved after the beginning of business January 1, 2009.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Farm Labor Housing- State Director Exception	7.500%	7.250%

Also, the benchmark used for FY 2008 interest rate for repayment of unauthorized assistance when the borrower was at fault was announced by Treasury to be 4.580%.

Please notify appropriate personnel of this rate.

RUSSELL T. Davis *(Signed by James C. Alsop) for*
Administrator
Housing and Community Facilities Programs

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 12/19/08 at 4:00 pm PAD.
State Directors should advise other personnel as appropriate.

December 19, 2008

SUBJECT: Interest Rates for Community Facilities

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

Effective from January 1, 2009, through March 31, 2009, the interest rates for direct community facility loans are as follows:

Poverty Line...unchanged at.....4.500%
Intermediate...increased to.....4.750%
Market..... increased to.....5.125%

Please notify appropriate personnel of these rates.

(Signed by James C. Alsop for

RUSSELL T. DAVIS
Administrator
Housing and Community Facilities Programs

EXPIRATION DATE:
March 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 12/19/08 at 3:45 pm by PAD.
State Directors should advise other personnel as appropriate.

December 19, 2008

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Directors

The following interest rates, effective January 1, 2009, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	1.440%	0.930%

The new rate shown above is as of the week ending November 28, 2008. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve website for the weekly average 1-year Constant Maturity Treasury Yield (http://www.federalreserve.gov/releases/h15/data/Weekly_Friday_H15_TCMNOM_Y1.txt).

EXPIRATION DATE:
January 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

RURAL HOUSING LOANS

Rural Housing (RH) 502		
Very-Low or Low	5.375	5.375
Single Family Housing		
(SFH) Nonprogram	5.875	5.875
Rural Housing Site		
(RH-524), Non-Self-Help	5.375	5.375
Rural Rental Housing and		
Rural Cooperative Housing	5.375	5.375

Please notify appropriate personnel of these rates.

(Signed by James C. Alsop) for

RUSSELL T. DAVIS
Administrator
Housing and Community Facilities Programs

Sent by electronic mail on 12/19/08 at 3:30 pm by PAD.
State Directors should advise other personnel as appropriate.

December 22, 2008

TO: State Directors, Rural Development

ATTENTION: Business Programs Directors

SUBJECT: Business and Industry Guaranteed Loan Program
Rural Business Enterprise Grant Program
Disaster Assistance Funding Procedures

The purpose of this unnumbered letter is to provide guidance regarding the availability of disaster assistance under the Business and Industry (B&I) Guaranteed Loan Program and Rural Business Enterprise Grant (RBEG) Program.

Twenty-five million dollars of budget authority is available for disaster assistance, less 3 percent for administrative expenses. The B&I program will be apportioned \$19.4 million of that budget authority which equates to a supportable guaranteed loan level of \$445.977 million. In order to maintain this supportable loan level, no more than 12 percent of B&I disaster funds will be available with a 1 percent guarantee fee and no more than 15 percent of B&I disaster funds will be available with a percentage of guarantee in excess of 80 percent. The RBEG program will be apportioned \$4.85 million. To be eligible for this assistance, the project must be located in a fiscal year 2008 Presidentially declared disaster area. Projects located in the identified counties on the Federal Emergency Management Agency (FEMA) map for these disasters will be eligible for funding. The FEMA web site, www.fema.gov, lists Major and Emergency Disaster Declarations by year and by state. All of these disaster areas were declared by the President, but **only Major Disaster Declarations are eligible**. Designations include individual and public assistance. Both are eligible. Funds are available on a first-come, first-served basis.

For the B&I program, the State Director or designee may request funds for projects that are ready to be obligated from the Disaster Reserve by e-mailing a copy of Appendix C of RD Instruction 4279-B, and the Legislative and Public Affairs (LAPAS) Project Information sheet to Andrea Patterson, andrea.patterson@wdc.usda.gov, with a copy to Fred Kieferle, fred.kieferle@wdc.usda.gov. We will advise you by separate communication when funds become available.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Community/Business Programs

These rates will be effective from January 1, 2009, through March 31, 2009.

Also, the rate for watershed protection and flood prevention loans and resource conservation and development loans is as follows:

CURRENT RATE	NEW RATE
4.500%	5.125%

Please notify appropriate personnel of these rates.

(Signed by James M. Andrew)

JAMES M. ANDREW
Administrator
Utilities Programs

Sent by Electronic Mail on 12/18/08 at 9:00am by PAD.
State Directors should advise other personnel as appropriate.

December 22, 2008

SUBJECT: 60th Annual Arthur Fleming Award for Exceptional Federal Service
Responses Due: **January 9, 2009 and January 30, 2009**

TO: Rural Development Employees

FROM: Clyde Thompson /s/ *Clyde Thompson*
Deputy Administrator
Operations and Management

The George Washington University and the Arthur S. Flemming Awards Commission have invited the United States Department of Agriculture to submit nominations for the 60th Annual Arthur S. Flemming Awards Program. The Flemming Award honors exemplary career civil service men and women in the federal government who have performed outstanding and meritorious achievements in working for the federal government.

Those eligible for the award are career federal employees with at least three, but no more than fifteen years of service as of **December 31, 2008**. Recipients are chosen by a panel of distinguished consultants and judges.

Additional information and nomination forms can be downloaded from the internet at <http://www.gwu.edu/~flemming>.

Nominations must have the concurrence of Rural Development's Under Secretary before submission to the sponsor. Therefore, all nominations must be submitted to Denise N. Johnson, Human Resources Specialist, by e-mail at DeniseN.Johnson@wdc.usda.gov, by **Friday, January 9, 2009**.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Once the Under Secretary has approved the nomination, we will notify you that the nominee has been approved for your submission. Approved submissions must be received by The George Washington University **no later than 5:00 PM Eastern Standard Time, Friday, January 30, 2009**. Approved submissions must be submitted to:

The Arthur S. Flemming Awards Program
Attn: Ellen Treimel
The George Washington University
805 21st Street NW, Suite 601
Washington, D.C. 20052

If you have any questions, please contact Denise N. Johnson at (202) 692-0223, or via e-mail at the address above.

Sent by electronic mail on 12/24/08 at 7:30 am by Human Resources.

December 22, 2008

SUBJECT: Rural Development Instruction 2060-A, Performance, and
Performance Appraisal Handbook

TO: All Rural Development Employees

FROM: Clyde Thompson /s/ *Clyde Thompson*
Deputy Administrator
Operations and Management

Effective October 1, 2008, the Department of Agriculture's (USDA) policy on Performance, Departmental Regulation (DR) 4040-430, serves as the official Rural Development policy for all non-bargaining unit employees in Rural Development. After relevant labor-management obligations have been fulfilled, it will also be applicable for all bargaining unit employees. RD Instruction 2060-A, Performance, was revised to provide supplemental guidance specific to Rural Development for implementing USDA's performance management system in the areas of: organizational alignment, mandatory critical elements and standards, generic performance elements and standards, and addressing unacceptable performance. Rural Development's performance appraisal handbook was also revised to incorporate policy guidance from DR 4040-430 and RD Instruction 2060-A, Performance, and is available on Rural Development's Intranet website at <http://teamrd.usda.gov/rd/DAOM/AAHR/PerformanceManagement.html>. The revised "Performance Appraisal Handbook: A Guide for Supervisors/Managers and Employees" was designed to assist supervisors/managers and employees with their performance management roles and responsibilities.

The DR 4040-430 is available on the Office of the Chief Information Office website at <http://www.ocio.usda.gov/directives/doc/DR4040-430.htm>. RD Instruction 2060-A, Performance, is available on Rural Development's Instruction website at http://www.rurdev.usda.gov/regs/regs_toc.html#2060.

EXPIRATION DATE:
November 30, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

The following are the significant changes to the performance appraisal plan:

- All performance plans must contain a minimum of three performance elements, and no more than seven (a non-critical element is no longer required as one of the minimum elements).
- Supervisors/managers' performance plans must contain appropriate measures/indicators of employee and/or customer/stakeholder feedback.
- The mandatory "supervision" element was revised to combine the supervisor/managerial duties of management control activities, merit system principles, effective performance management, effective conduct and discipline issues, and training and individual development plans.
- A new "Mission-related" element was developed for supervisory and non-supervisory performance plans to link to RD's strategic plan. All RD mandatory critical elements that are specifically linked to RD's strategic goals/initiatives/mission may be grouped under this element.
- If warranted by the employee's position, performance elements and/or standards for safety and health, and the protection of personally identifiable information should be included in the performance plan.

As part of Rural Development's commitment to supporting employees in meeting or exceeding performance goals, we will continue to explore other performance management training sessions that will assist with understanding the importance of playing an active role in performance management.

If you have any questions regarding this memorandum, please contact your Servicing Human Resources Office.

Sent by electronic mail on 12/24/08 at 7:45 AM by Human Resources.

December 22, 2008

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Business and Industry Guaranteed Loan Program
UPS Capital Corporation

UPS Capital Corporation Lending Operation, UPS Business Credit (UPS), is one of the largest lenders in the Business and Industry (B&I) Guaranteed Loan Program. UPS focuses on delivering financial services to small, middle market, and international companies. UPS offers a number of government-guaranteed loan options for customers, and their lending products can be used for everything from real estate to franchise financing to business acquisitions.

We have attached an updated UPS key contact list for your convenience. In addition, corporate headquarters information is:

UPS Capital Corporation
35 Glenlake Parkway, NE., Suite 500
Atlanta, Georgia 30328
Telephone: (404) 828-4740
Fax: (404) 828-3710
Hours of Operations: 8AM-7PM EST

Domestic U.S. Lending
UPS Capital Business Credit
425 Day Hill Road
P.O. Box 400
Windsor, Connecticut 06095
Main Office: (860) 687-2600
Fax: (860) 687 2647
Hours of Operation: 8AM-5PM EST

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTION:
Community/Business Programs

UPS has made a corporate decision to electronically file or incorporate paperless servicing file system. This includes B&I guaranteed loans. RD Instruction 4287-B, section 4287.107(c), states: "At the Agency's request, the lender will meet with the Agency to ascertain how guaranteed loan is being serviced and that the conditions and covenants of the Loan Agreement are being enforced. The Agency will hold meetings with the lender at least annually."

UPS has agreed to provide their entire B&I loan docket file to the Agency on a compact disk. To review a B&I loan docket, you should request the B&I loan docket file on compact disk at least 30 days prior to the scheduled annual lender visit.

You should bring up any issues of concern during the scheduled annual lender visit and follow-up in writing with the lender on issues and concerns.

If we can provide you with information, please contact the B&I Loan Servicing Branch at (202) 690-4103.

(Signed by Ben Anderson)

BEN ANDERSON
Administrator
Business and Cooperative Programs

Attachment

UPS Capital Business Key Contact List
Credit

425 Day Hill Rd., P.O. Box 400, Windsor, CT
06095

Main Number: 860-687-
 2600

Name	Business Unit/Location	Phone #	E-mail @ups.com	Fax #
Antonelli, Michael	Special Assets	860-687-2608	mantonelli	860-687-2653
Aversa, Joanna	Special Assets	860-687-2618	javersa	860-687-2703
Barratt, Steve	Comm Portfolio (IL)	630-588-8546	sxbarratt	630-588-2440
Berry, Tom	Comm Portfolio	860-687-2688	tiberry	860-687-2703
Black, Donald	Comm Portfolio	860-687-2686	donaldblack	860-687-2703
Bradley, Cynthia	Loan Accounting	860-687-2624	cdbradley	860-278-3205
Bradshaw, Richard	Executive	404-828-6949	richbradshaw	404-828-3710
Burke, Judy	Comm Portfolio (RI)	401-553-2403	judyburke	401-553-2402
Germano, Judy	Special Assets	860-687-2739	jlgermano	860-687-2653
Graham, Robert	Comm Portfolio	860-687-2674	robertgraham	860-687-2703
Jarusinsky, Tom	Loan Accounting	860-687-2663	tjarusinsky	860-687-2772
Kiraly, Linda	Loan Accounting	860-687-2712	lkiraly	860-687-2772
Kirby, William	Comm Portfolio (MA)	401-553-2404	wfkirby	401-553-2402
Krasusky, Paul	Comm Portfolio	860-687-2714	pkrasusky	860-687-2703
Mazziotto, Julie	Loan Accounting	860-687-2744	jmazziotto	860-687-2772
O'Brien, Kevin	Comm Portfolio (PA)	412-237-6637	kevinobrien	412-237-6638
Rice, Brian	Special Assets	860-687-2662	brice	860-687-2653
Rister, Mike	Comm Portfolio	860-687-2631	mrister	860-687-2703
Stevens, Deborah	Special Assets	860-687-2762	deborahstevens	860-687-2653
MANAGERS IN BOLD				

December 22, 2008

SUBJECT: Leasing Teleconferences

TO: Rural Development State Directors

ATTN: Administrative Program Directors
Leasing Personnel

FROM: Clyde Thompson /s/ *Clyde Thompson*
Deputy Administrator
Operations and Management

The Rural Development Property and Supply Management Division, Space Management Branch, will continue to facilitate monthly teleconferences to provide the State Office Leasing Personnel with updates and guidance on various policies and procedures that arise involving leasing. It is strongly recommended that the necessary arrangements be made in order to participate in these monthly teleconferences.

Participants may submit topics for discussion at least two weeks in advance of the scheduled meeting to Ernestine Johnson, Leasing Analyst, at ernestine.johnson@stl.usda.gov. Topics submitted will be taken into consideration to maintain consistency and effectiveness of this effort. An agenda will be provided to participants prior to the scheduled teleconference.

The monthly teleconferences will be from 2:00 p.m. – 3:00 p.m. (c.s.t) on the 4th Thursday in each month beginning January 22, 2009, except for November and December which will be on the 3rd Thursday at the same time.

In order to participate, you must call (800) 867-6144, Code 7340#. If you experience telephone connection problems, call (202) 720-8560 for assistance. These teleconferences will be recorded. Instructions on accessing recorded teleconferences will be provided via e-mail immediately following each teleconference.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

If you have any questions, you may contact one of the Space Management Branch Leasing Staff: Beth Aschenbrenner at (314) 457-5691; Rosemary Coffey at (314) 457-5701; Ernestine Johnson at (314) 457-5693; or Stephanie Royal at (314) 457-5702.

Sent by electronic mail on 1/8/09 at 9:00 a.m. by PSMD/SMB.
State Directors shall notify other personnel as appropriate.

December 22, 2008

SUBJECT: Interest Rate for Direct Business
and Industry Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

The following interest rate is in effect January 1, 2009, through March 31, 2009.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	5.000%	4.000%

Please notify appropriate personnel of this rate.

(Signed by Ben Anderson)

BEN ANDERSON
Administrator
Business and Cooperative Programs

EXPIRATION DATE:
March 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 12/29/08 at 1:30 p.m. by PAD.
State Directors should advise other personnel as appropriate.

December 24, 2008

TO: All State Directors
Rural Development

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Housing and Community Facilities Programs

SUBJECT: United States Department of Agriculture Rural Development
Single Family Housing Guaranteed Loan Program
Underwriting Findings as a Result of National Office Lender
Compliance Reviews

In Fiscal Year 2008, over 50 compliance reviews were completed for State and Nationally approved lenders under the National Office compliance review contract. These reviews show that many lenders are in general compliance with program guidelines. Additionally, we have received positive feedback from many lenders about the wonderful features of the program and the splendid support to lenders by Agency staff. This support includes assisting lenders find the correct documentation to properly underwrite files to our guidelines (i.e. providing direction to proper Administrative Notices or sections of RD Instruction 1980-D).

One underwriting finding shows that in some cases Agency employees are “pre-approving” requests for Conditional Commitments prior to the approved lender underwriting the applicant’s loan file. For example:

- The mortgage broker (not an approved lender) provided a copy of the application package to the Agency and a verbal or written commitment to issue a Conditional Commitment is issued even though the Approved Lender has not underwritten the loan file, or,
- The Approved Lender’s underwriter declined a loan. Then the mortgage broker or loan officer asked the Agency employee to intervene and override the original decision.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Housing Programs

It is never appropriate for an Agency employee to give a pre-approval to a mortgage broker or loan officer prior to receiving a fully underwritten file, or to override a decision of an approved lender's underwriter. We ask Program Directors to consider providing additional training or review employee loan approval authorities.

As we continue to complete lender compliance reviews, we will continue to look for these instances and communicate these findings to Program Directors.

Please contact Michelle Corridon or Joaquin Tremols with any questions. They can be reached at (804) 287-1595, michelle.corridon@wdc.usda.gov or (202) 720-1452, joaquin.tremols@wdc.usda.gov respectively.

December 24, 2008

SUBJECT: Retention of Documentary Materials for Litigation in cases of
Garcia v. Schafer (Hispanic Farmers)
Love v. Schafer (Female Farmers)
Wise v. Schafer (Female/African American Farmers)
Response Required by January 9, 2009

TO: National Office Officials
Rural Development State Directors

FROM: Clyde Thompson (*Signed by Clyde Thompson*)
Deputy Administrator
Operations and Management

The purpose of this memorandum is to notify you that any records which may pertain to ongoing litigation cases, "Hispanic Farmers," "Female Farmers," and "Female/African American Farmers," must be preserved. The attached notification was received by the Rural Development Records Officer, Andrea Jenkins, on December 23, 2008, from the Office of General Counsel (OGC), Civil Rights, Litigation Division.

Although the attached memorandum is similar to recent litigation hold memorandums, it is not identical. Each litigation hold notice exists independently of each other, and each notice **MUST** be reviewed carefully.

If responsive records are available, regardless of format, please contact Andrea Jenkins, Rural Development Records Officer, at 202-692-0029 or by e-mail at andrea.jenkins@wdc.usda.gov by January 9, 2009. Negative responses are required.

Attachment

EXPIRATION DATE:
January 30, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail at 12/24/08. on 2:00 pm by the Support Services Division.
National Office Officials and Rural Development State Directors should notify other personnel as appropriate.



United States
Department of
Agriculture

Office of the
General
Counsel

Washington,
D.C.
20250-1400

***Privileged and Confidential
Attorney Work Product***

December 22, 2008

VIA HAND DELIVERY

MEMORANDUM FOR THOMAS C. DORR
UNDER SECRETARY
RURAL DEVELOPMENT

FROM: Steven C. Brammer *Steven C. Brammer*
Attorney-Advisor
Office of General Counsel, Civil Rights Litigation Division

SUBJECT: Retention of Documentary Materials for Litigation in cases of
Garcia v. Schafer (Hispanic Farmers)
Love v. Schafer (Female Farmers)
Wise v. Schafer (Female/African American Farmers)

The purpose of this memorandum is to advise Rural Development (RD) to preserve any documentary materials potentially relevant to litigation in *Garcia v. Schafer*, *Love v. Schafer*, and *Wise v. Schafer*.

Garcia v. Schafer is a nationwide action filed by Hispanic farmers and ranchers. *Love v. Schafer* is a nationwide action filed by female farmers and ranchers. *Wise v. Schafer* is a nationwide action filed by certain female and African American farmers and ranchers. The plaintiffs in these cases allege discrimination in violation of the Equal Credit Opportunity Act, and other provisions of law, in the access to and participation in USDA's farm loan programs, such as the alleged denial or delay of farm loans and loan servicing by the Farm Service Agency (FSA) and/or Farmers Home Administration (FmHA) officials. The plaintiffs also allege that USDA violated the Administrative Procedure Act in connection with certain non-credit programs and by failing to act on administrative complaints of discrimination they filed with USDA. The Federal Rules of Civil Procedure require USDA to retain and preserve all potentially relevant evidence and to put a "litigation hold" on its routine document and data retention policy and practices (e.g., the routine destruction of records after a certain number of years). (For a general discussion of litigation holds, please see USDA's Departmental Regulation 3090-001 (May 28, 2008).)

It is our understanding that RD may maintain or have within its control some FmHA or FSA documentary materials, and manages and maintains the data dictionaries for the Program Loan

Accounting System (PLAS) database which contains borrower data which may be relevant to the litigation referenced above. Accordingly, at a minimum, we request that you take immediate steps to preserve the following:

- All documentary materials relating to farm credit programs, including, but not limited to, applications, decisions, on applications, servicing materials, and formal or informal complaints (administrative or court) related to the farm credit program;
- All documentary materials relating to farm program non-credit benefits, including, but not limited to, applications for benefits, decisions on applications for benefits, payment information, and formal or informal complaints (administrative or court) related to farm programs.

“Documentary materials” means, collectively, records and non-records, in whatever form or format, including, but not limited to, electronically stored information (ESI), data, data compilations, spreadsheets, correspondence, notes, e-mails, writings, drawings, graphs, charts, photographs, sound recordings, images, and any other materials, whether original or duplicative, drafts or final, partial or complete, informal or formal, internal or external, proprietary or nonproprietary. Thus, the litigation hold is broader than a “records freeze” – that is, it requires the preservation of materials beyond those that constitute “records” as defined by the Federal Records Act.

Please note that the list above is not an exclusive list of materials to be preserved, as the preservation obligation applies to any documentary materials in RD’s possession or control that relate to the Plaintiffs’ claims. We have tried to anticipate the types of documents and information that exist related to this claim, but you must use your professional judgment to identify which individuals may be involved, what documents or other information may exist, and where such documentary materials may be located.

The preservation requirement is for all potentially relevant documentary materials from 1981 to the present. An agency’s ordinary document retention policies are not a reason to fail to maintain evidence pertinent to this litigation. Moreover, preservation must occur regardless of whether the information may ultimately be withheld as privileged or ultimately determined to be unreasonably burdensome to produce.

The duty to preserve does not generally depend on the *type of medium* on which the information exists. For example, the aforementioned information may exist in various forms, including paper records, hand-written notes, telephone log entries, email and other electronic communication (including voice mail messages), word processing documents (including drafts, spreadsheets, databases and calendars), telephone logs, calendars, electronic address books, personal data assistants (PDAs) (like Palm Pilots and BlackBerries), internet usage files, systems manuals, and network access information in their original format. Although some of these types of medium may not have existed during the time period, the retention obligation extends to any and all information on computer systems, removable or portable electronic storage media, and at all

locations. It includes information stored on personally-owned computers or electronic storage devices if used to create Department records in the performance of duty as a USDA employee or contractor. In the event someone has printed hard copies of electronically stored data, those must be preserved as well.

The ESI subject to this litigation hold includes data stored on electronic, magnetic or optical storage medium. In addition, ESI should be preserved in its "native" format -- as it was originally created and maintained -- along with its related "metadata" (i.e., the information about a particular data set which describes how, when and by whom it was collected, created, accessed or modified and how it is formatted).

Electronic data/ESI (including any relevant backup tapes that may still exist) must also be preserved until and beyond the point of the deterioration of the media. Electronic media that is in danger of deteriorating while litigation is still pending must be duplicated on new media. Further, even information that is not deemed reasonably accessible (such as data created with software that is now obsolete) must be preserved because such sources will, at the very least, need to be identified and, under compelling circumstances, may have to be produced.

With regard to electronic data, all data subject to this hold must be preserved even if it may be duplicative of data stored elsewhere, including data "work tables," data extracted from other databases, data sent to a centralized or shared database, and data underlying summary reports.

The litigation hold also extends to documentary materials stored on computers assigned to departing employees. When an employee retires or leaves the agency, do not recycle or otherwise destroy the computer or its contents before ascertaining whether there exists any relevant material on the computer. If the agency discovers any relevant material on a computer assigned to a departing employee, it must maintain that material in its native format until further notice from OGC.

We recognize that the obligation to preserve may impose a substantial burden on RD. If, at some point, the obligation proves to be unduly burdensome, we may be able to seek some relief, either through agreement with the Plaintiffs or through the Court. However, absent such an agreement or Court order, all necessary steps must be taken to preserve all potentially relevant information because failure to meet preservation obligations can result in sanctions against the Government or disadvantage the Government's position in litigation. It can also result in monetary or other contempt sanctions against individuals who failed to take appropriate steps to locate and segregate materials subject to a litigation hold. In extreme cases, agency performance-based action or disciplinary sanction may be warranted under 5 U.S.C. 4301, *et seq.*, or 5 U.S.C. 7501, *et seq.*

If you are uncertain whether to preserve certain information or you believe that there are certain categories of files that can be discarded, please provide OGC with a detailed description of the identified documents. OGC will then -- after consultation with the Department of Justice -- let RD know if the documents can be discarded under their normal retention schedule. Please do not

delete or destroy any information that is potentially covered without first obtaining clearance from OGC.

With regard to implementation of this litigation hold memorandum, please distribute a memorandum or administrative notice to all RD personnel who are known to have, or are reasonably expected to have, potentially relevant documents and information (including those in State and local offices), to the relevant Information Technology and Records Management personnel, as well as to any third parties, such as contractors, who may possess potentially relevant materials.

RD should keep a record of who is sent the litigation hold memorandum or notice (i.e., maintain a distribution list) and ask each recipient to acknowledge receipt and compliance with it, to be in the best position to show good faith and defend any motion by Plaintiffs for sanctions in the event some information is lost. OGC will also need the name of the Chief Information Officer and his or her staff so that OGC may periodically monitor compliance with this litigation hold.

When implementing the litigation hold, it is not sufficient to simply notify all employees of the "hold" and expect that they will then retain and produce all information related to the suit. Rather, affirmative steps must be taken to ensure that all affected employees understand *and comply with* the litigation hold and that potentially relevant information is retained.

With regard to frequency, we advise you to issue a reminder memorandum at least every six months. The longer the suit continues, some personnel may mistakenly assume it has ended or that the obligation to preserve no longer exists, especially as discovery requests become less frequent.

Thank you for your continued cooperation on this matter. Please send me a confirmation e-mail indicating that you received and read this memorandum. If you or your staff has any questions on this matter, you may contact me, Steven C. Brammer, Attorney-Advisor, Civil Rights Litigation Division, at (202) 720-4375 or steven.brammer@usda.gov.

cc: Clyde Thompson, Deputy Administrator for Operations and Management, RD
Thelma Floyd, Civil Rights Director, RD
✓ Andrea Jenkins, Records Officer, RD
Christopher L. Smith, CIO

December 29, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Acting Under Secretary
Rural Development

SUBJECT: Acting State Director for Iowa

On **January 5, 2009**, Mark Reisinger will be resigning as State Director for Iowa. Therefore, I appoint Timothy F. Helmbrecht Acting State Director effective **January 6, 2009**, until further notice.

Mr. Helmbrecht is currently the Administrative Program Director for the Iowa State Office.

I know I can count on your support and assistance while he is serving as Acting State Director and responsible for carrying out the mission of Rural Development in Iowa. Mr. Helmbrecht can be reached on (515) 284-4470 or via e-mail at tim.helmbrecht@ia.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/31/08, at 7:30 AM, by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

December 29, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Doug Faulkner***
Deputy Under Secretary
Rural Development

SUBJECT: Acting State Director for Kentucky

On **January 3, 2009**, Kenneth Slone will be resigning as State Director for Kentucky. Therefore, I appoint Vernon Brown, Acting State Director effective **January 4, 2009** until further notice.

Mr. Brown is currently the Community Programs Director for the Kentucky State Office.

I know I can count on your support and assistance while he is serving as Acting State Director and responsible for carrying out the mission of Rural Development in Kentucky. Mr. Brown can be reached on (859) 224-7336 or via e-mail at vernon.brown@ky.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/29/2008 at 1:00pm by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

December 29, 2008

TO: Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Acting Under Secretary
Rural Development

SUBJECT: Federal Benefits upon Separation

This is a follow-up to our teleconference on Wednesday, December 10, 2008, with Anthony Hulen, White House Liaison.

The purpose of this memo is to provide you with additional information on your benefits through this transition. Attached you will find information adapted from the Office of Personnel Management's publication, *The Presidential Transition Guide to Federal Human Resource Management*, <http://www.chcoc.gov/Transmittals/Attachments/trans1300.pdf>. Copies of your Official Personnel Folders will be provided to you on CD-ROM.

If you have any questions, please contact Denise N. Johnson, Human Resources Specialist at (202) 692-0223, or via e-mail at DeniseN.Johnson@wdc.usda.gov or Norma Valdes, Chief, Human Resources Programs Branch at (202) 692-0198, or via e-mail at Norma.valdes@wdc.usda.gov.

Attachment

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/30/2008 at 7:30 am, by Human Resources.
State Directors should advise other personnel as appropriate.

BENEFITS

1. What happens to my accrued annual and sick leave?

When your Federal employment ends, you will receive a lump-sum payment for any unused annual leave. The lump-sum payment equals the pay you would have received if you had remained in Federal service on annual leave (as provided in Office of Personnel Management (OPM) regulations). This process normally takes up to two pay periods for the National Finance Center to process your lump sum payment.

2. Will I be eligible for severance pay?

No. Employees serving under noncareer Senior Executive Service (SES) or Schedule C appointments are not eligible for severance pay.

3. If I am separated, will I be eligible for unemployment compensation?

The U.S. Department of Labor advises that Presidential appointees, noncareer and limited SES appointees, and Schedule C employees are generally eligible for benefits under the Unemployment Compensation for Federal Employees (UCFE) program because their separation from Federal service is viewed as being involuntary (i.e., occurring through no fault of their own). To ensure state unemployment compensation offices are aware your separation is due to a change in agency leadership, it is important that this reason be clearly indicated on the SF-50 (Notification of Personnel Action) and all UCFE claims inquiry forms.

4. If I resign, will I be eligible for unemployment compensation?

If you resign *by request* due to a change in Presidential administrations or agency leadership, you may be eligible, provided you meet all other eligibility requirements. If you resign before being requested to do so, you may not be eligible. To ensure State Workforce Agencies are aware your resignation is by request due to a change in Presidential administrations or agency leadership, it is important that this be clearly stated in your written resignation. Your agency should also indicate the same on the SF-50 and all UCFE claims inquiry forms. Again, you should check with your State Workforce Agency if you have any questions.

5. What will my SF-50 say if I resign or if I am separated?

If you resign from your position due to a transition to a new Presidential administration, the “Remarks” section of your SF-50, Notification of Personnel Action, will state “Reason for Resignation” and then summarize whatever reason you provided in your written resignation. So, when you submit your resignation SF-52, Request for Personnel Action, you should be sure to state your reason for resignation in Part E of the SF-52 as, “Resignation due to a change in Presidential administrations.”

6. How do I apply for unemployment compensation?

States act as agents of the Department of Labor in the taking, processing, and payment of UCFE benefits. Therefore, all applications must be filed with a State Workforce Agency in the state of the employee's last official duty station. Most states accept UCFE applications by telephone or through the Internet, so you may not have to report in person to file a claim. To locate unemployment benefit information in the state of your choosing, visit <http://www.servicelocator.org/OWSLinks.asp>. When you file a claim with the appropriate state agency, you may be asked to provide a copy of your SF-8 (Notice to Federal Employee about Unemployment Insurance), a copy of your SF-50, and/or copies of your leave and earnings statement.

7. Can I keep my Federal employee health insurance coverage when I leave?

After separation, your group health insurance continues at no cost for 31 days. In addition, if you file an election with the separating agency to continue your coverage and you pay **both** the employee and employer cost (plus 2 percent administrative cost), your current plan, or another Federal Employees Health Benefits plan of your choice, can be continued up to 18 months. When the group coverage ends, you have a right to convert it to non-group coverage.

If you retire under a retirement system for Federal employees, you can continue your group health insurance into retirement, provided you qualify for an immediate annuity and you were enrolled for the 5 years of service immediately before retirement, or – if less than 5 years – for all service since your first opportunity to enroll. As a retiree, you would pay the same contribution for health insurance as active employees.

8. Can I keep my Federal employee life insurance coverage when I leave?

Life insurance continues for 31 days after separation at no cost and your insurance can be converted, without medical examination, to non-group coverage at that time, with rates based on age and class of risk.

If you retire under a retirement system for Federal employees, your group life insurance (but not accidental death and dismemberment) can be continued into retirement, provided you qualify for an immediate annuity and you were enrolled for purposes of each type of coverage for at least the 5 years before retirement, or since the first opportunity to enroll. As a retiree, you would pay the same premiums as employees, except that premiums stop at age 65, when the amount of insurance begins to decrease by 2 percent per month. The post-retirement reduction continues until the Basic and the \$10,000 Optional coverage is 25 percent of insurance in force at retirement and until other optional insurance expires completely. At the time of retirement, you can also elect to pay additional premiums to prevent the Basic and Optional insurance B and C from decreasing.

9. Can I keep my Federal long term care insurance coverage when I leave?

Long term care insurance coverage is fully portable, which means it continues without change when employees leave the Federal Government – the same product and the same price – as long as premiums continue to be paid. OPM is still the policyholder and the coverage continues to be

administered by Long Term Care Partners, LLC. If the employee is paying premiums through direct bill or automatic bank withdrawal, those arrangements continue unchanged. However, employees paying through payroll deduction should contact Long Term Care Partners directly so that they can switch their payment methods to direct bill or automatic bank withdrawal.

10. Can I keep my Federal dental and/or vision insurance coverage when I leave?

After separation, Federal Employees Dental and Vision Program (FEDVIP) coverage terminates unless you are eligible for an immediate annuity. If an employee retires under a retirement system for Federal employees, FEDVIP coverage eligibility is retained. Retirees must have retired with an immediate annuity (a Federal Employees' Retirement System (FERS) Minimum Retirement Age plus 10 annuity, postponed, counts as an immediate annuity). Those in receipt of a deferred annuity are not eligible to enroll in FEDVIP. However, unlike Federal Employees Health Benefits (FEHB) coverage and FEGLI coverage, there is no length of time you must be enrolled in FEDVIP as an active employee in order to continue coverage after retirement.

11. What are the basic age and service rules for retirement?

Under the Civil Service Retirement System (CSRS), you can retire voluntarily after reaching age 55 with 30 years of service, age 60 with 20 years, or age 62 with 5 years. Under FERS, voluntary retirement is available at minimum retirement age (MRA) (55 to 57, depending on year of birth) with 30 years of service, age 60 with 20 years, or age 62 with 5 years. Individuals under FERS can also retire on a reduced annuity at MRA with as little as 10 years of service.

12. How do I know if I am eligible for early retirement?

You would be eligible for early retirement if you qualify for a discontinued service retirement (DSR) based on an involuntary separation (see next question) and meet the following age and service requirements. Under both CSRS and FERS, you must be age 50 and have at least 20 years of service, or you may retire at any age if you have at least 25 years of service.

13. What is considered an involuntary separation for purposes of qualifying for discontinued service retirement?

Generally, a separation is qualifying for DSR if it is an agency-initiated action that is not a removal for cause on charges of misconduct or delinquency. A resignation qualifies you for DSR if you resign as a result of a change in the Presidential administration. When it is known that a Presidential appointee is leaving, the resignation of a noncareer SES or Schedule C appointee who works for that person is also considered an involuntary separation for purposes of DSR. It is important that you keep a copy of your resignation letter, the letter received from the Secretary accepting your resignation, and your final SF-50, Notification of Personnel Action, reflecting your resignation and the reason for your resignation.

14. What if I am not yet eligible for retirement?

You might be eligible for a deferred annuity. Under both CSRS and FERS, if you have at least 5 years of civilian service, you can receive a deferred annuity at age 62. Also, a FERS employee with at least 10 years of Federal service (which must include at least 5 years civilian service) may elect to receive a deferred annuity as early as the minimum retirement age (see Question 11). To qualify for deferred benefits, you must leave your retirement contributions in the retirement fund. If you have less than 5 years of civilian service, you do not qualify for a deferred annuity. Whether or not you qualify for a deferred benefit, you may elect to receive a refund of your contributions as long as you are not eligible for an immediate annuity. To qualify for the refund, you must be separated for at least 31 days and apply for the refund at least 31 days before you qualify for a deferred annuity.

Generally, interest is payable on FERS refunds, but no interest is payable on CSRS refunds. Desirability of the refund depends on individual circumstances (how far from or close to retirement you are and whether you anticipate future Federal employment). Under CSRS rules, you can reinstate credit for the service if you return to Federal service under CSRS or FERS, and redeposit the refund with interest. However, you cannot repay a refund of FERS deductions if you return to Federal service. In addition, the service will not count toward retirement.

15. What are my Thrift Savings Plan (TSP) withdrawal options after I leave Federal service?

The TSP provides several ways to withdraw your account.

- You can make a partial withdrawal of your account in a single payment.
- You can make a full withdrawal of your account by any one, or any combination, of the following methods:
 - A single payment
 - A series of monthly payments
 - A life annuity.

A combination of any of the above three full withdrawal options is called a “mixed withdrawal.”

You can have the TSP transfer all or part of any single payment or, in some cases, a series of monthly payments, to a traditional Individual Retirement Arrangement (IRA) or eligible employer plan. Payments to you can be deposited directly into your checking or savings account by means of electronic funds transfer (EFT).

16. Can I leave my money in my TSP account and can I add to this money after I leave Federal service?

You can leave your money in your account. You cannot make direct deposits. However, under certain circumstances, you can make transfers (or rollovers) of eligible distributions from an eligible retirement plan, including a traditional IRA and an eligible employer plan (or its designated financial institution). Only TSP participants who have open accounts can transfer

money into the TSP. This includes participants who are separated from Federal civilian service. However, a separated participant who is receiving monthly payments from his or her TSP account cannot transfer money into it.

Your account will continue to accrue earnings and you can continue to move your money among the TSP investment funds by making interfund transfers. **Caution:** You must receive your account in a single payment or begin receiving monthly payments from the Thrift Savings Plan, or from the annuity vendor, by April 1 of the year following the year you turn 70 ½.

17. If I leave Federal service, can I have the TSP transfer my payment to an Individual Retirement Arrangement (IRA) or other eligible retirement plan?

Yes, you can have the TSP transfer all or part of a single payment to an IRA or other eligible retirement plan. You also can transfer certain monthly payments.

18. Where can I find tax information about TSP disbursements?

For detailed information about withdrawing your account, see the booklet, *Withdrawing Your TSP Account after Leaving Federal Service*. For detailed information about the tax consequences of your withdrawal choices and Federal income tax withholding requirements, see the TSP tax notice, *Important Tax Information about Payments from your TSP Account*. The booklet and notice are available from the TSP Web site www.tsp.gov. Your Human Resources Manager also can give you this information when you leave Federal service. You should also ask your state and local tax authorities about state and local taxes.

19. Will I keep the FERS Agency Automatic (1 percent) Contributions to TSP when I leave?

If you meet the TSP vesting requirements when you leave Federal service, you are entitled to the agency automatic (1%) contributions in your account and their earnings. As a Schedule C appointee, you are vested after 2 years of civilian service.

20. Does my Federal employment have an impact on my Social Security benefits?

Yes, it could affect your benefits. If you have ever worked under the Civil Service Retirement System (CSRS) and you receive an annuity based on that service, there are two provisions of the Social Security law that may affect your Social Security benefits:

- The *Windfall Elimination Provision (WEP)* may reduce the benefit you earned based on your work. The WEP doesn't apply if you were automatically covered by the Federal Employees' Retirement System (FERS), or if you have 30 or more years of "substantial earnings" in Social Security-covered employment.
- The *Government Pension Offset (GPO)* may reduce or eliminate any spousal benefit you are otherwise eligible to receive. The GPO doesn't apply if you were required by law to have coverage under the CSRS Offset provisions that are a combination of CSRS coverage and Social Security, or if you were automatically covered by FERS without electing coverage.

The Social Security Administration now sends an annual *Social Security Statement* to everyone who has paid Social Security taxes. The benefit estimates contained in the *Statement* are not adjusted to consider the WEP or GPO. Your agency's benefits officer can help you determine whether either of these provisions will affect your benefits. The Social Security Administration also has fact sheets: *The Windfall Elimination Provision* (Publication No. 05-10045) and *Government Pension Offset* (Publication No. 05-10007), that can be printed from www.ssa.gov or ordered by calling 1-800-772-1213.

The Social Security website, www.ssa.gov/planners/calculators.htm, also provides a detailed calculator. If you enter your earnings history (found on your *Social Security Statement*) and specific information about your non-covered pension, the detailed calculator can refigure your benefit, including the adjustment for the WEP.

21. If I retire, can I later return to Federal service?

Yes. However, depending on the type of annuity you receive, your annuity will terminate or your salary as a reemployed annuitant will be reduced by the amount of your annuity, unless you return to work for the Department of Defense. If you received a lump-sum payment for unused annual leave and are reemployed in the Federal service before the end of the annual leave period covered by the lump-sum payment, you must refund that portion of the lump-sum payment. The refunded portion covers the period between the date of reemployment and the expiration of the lump-sum leave period. Your employing agency will recredit to you an amount of annual leave that is equal to the days or hours of work remaining between the date of reemployment and the expiration of the lump-sum leave period.

December 29, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Acting Under Secretary
Rural Development

SUBJECT: Acting State Director for Arkansas

On **January 3, 2009**, Roy Smith will be retiring as State Director for Arkansas. Therefore, I appoint Cherry L. Smith Acting State Director effective **January 4, 2009**, until further notice.

Ms. Smith is currently the Assistant to the State Director for the Arkansas State Office.

I know I can count on your support and assistance while she is serving as Acting State Director and responsible for carrying out the mission of Rural Development in Arkansas. Ms. Smith can be reached on (501) 301-3208 or via e-mail at cherry.smith@ar.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/31/08 at 7:15 am by Human Resources.

State Directors and National Office Officials should advise other personnel as appropriate.

December 29, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Doug Faulkner***
Acting Under Secretary
Rural Development

SUBJECT: Acting State Director for New Jersey

On **January 3, 2009**, Andrew M.G. Law will be retiring as State Director for New Jersey. Therefore, I appoint George Hyatt Acting State Director effective **January 4, 2009**, until further notice.

Mr. Hyatt is currently the Housing Programs Director for the New Jersey State Office.

I know I can count on your support and assistance while he is serving as Acting State Director and responsible for carrying out the mission of Rural Development in New Jersey. Mr. Hyatt can be reached on (856) 787-7731 or via e-mail at george.hyatt@nj.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/31/08 at 7:00 AM by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

December 31, 2008

TO: Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Acting Under Secretary

SUBJECT: State Director Credit Hours

In a previous memorandum dated October 26, 2007, State Directors were notified that they could earn credit hours for official work performed in excess of eight hours each day.

The memorandum dated October 26, 2007, is now suspended until further notice. I will approve whatever requests I have on hand for pay periods 25 and 26, but please do not send in any additional requests. Effective pay period 1, January 4, 2009, State Directors will only be approved to work their official work schedule.

If you have any questions please contact Norma Valdes, Chief, Human Resources Programs Branch, at (202) 692-0198 or by e-mail at norma.valdes@wdc.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/31/2008 at 1:30 pm by the Human Resources Office.
State Directors should notify other personnel as appropriate.

December 31, 2008

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Douglas L. Faulkner /s/ ***Douglas L. Faulkner***
Deputy Under Secretary
Rural Development

SUBJECT: Acting State Director for Maine

On **January 3, 2009**, Michael Aube will be retiring as State Director for Maine. Therefore, I appoint Valarie C. Flanders Acting State Director effective **January 4, 2009**, until further notice.

Ms. Flanders is currently the Assistant to the State Director for the Maine State Office.

I know I can count on your support and assistance while she is serving as Acting State Director and responsible for carrying out the mission of Rural Development in Maine. Ms. Flanders can be reached on (207) 990-9173 or via e-mail at valarie.flanders@me.usda.gov.

EXPIRATION DATE:
December 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/31/08 at 2:30 pm by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.